

108TH CONGRESS
2D SESSION

S. 2747

To establish a Commission on the Future of the United States Economy to make recommendations on public policy and the reorganization of the Federal Government to promote efficiency and economy of operation, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 22, 2004

Mr. LIEBERMAN introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To establish a Commission on the Future of the United States Economy to make recommendations on public policy and the reorganization of the Federal Government to promote efficiency and economy of operation, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Commission on the
5 Future of the United States Economy Act of 2004”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

1 (1) The United States economy has entered an
2 information age in which innovation and knowledge,
3 including worker skills and creativity, are the keys
4 to competitive advantage.

5 (2) The need for bold innovation and ever-in-
6 creasing knowledge imposes increasingly demanding
7 competitive challenges for United States workers
8 and companies.

9 (3) In 1984, in response to concerns over the
10 condition of the manufacturing sector in the United
11 States, President Ronald Reagan appointed the bi-
12 partisan President's Commission on Industrial Com-
13 petitiveness (hereafter in this Act referred to as the
14 "Young Commission") that addressed the issue of
15 United States competitiveness in a new way and de-
16 veloped a framework that has guided policymaking
17 for the past 2 decades.

18 (4) The Young Commission proposed a reorga-
19 nization of the performance of the economic and
20 trade functions of the Federal Government, which
21 was never implemented.

22 (5) The striking changes in world economic cir-
23 cumstances over the 20 years since reorganization
24 was proposed by the Young Commission necessitate

1 reevaluation of the proposal in light of those
2 changes.

3 (6) Because the challenges facing the United
4 States economy are different in many ways from
5 those of 20 years ago, there is a need to renew the
6 Young Commission's mandate to reexamine Amer-
7 ica's competitiveness.

8 (7) Many studies and reports by governmental
9 and nongovernmental organizations, such as the Na-
10 tional Innovation Initiative of the Council on Com-
11 petitiveness, have laid the groundwork for this reex-
12 amination.

13 (8) The changed competitive challenges facing
14 the United States today—

15 (A) extend beyond a concern over global
16 competition in goods and the loss of domestic
17 manufacturing to the challenges presented by
18 the fusion of manufacturing and services into
19 complex networks and the opening of more
20 service sectors earlier to international competi-
21 tion;

22 (B) extend beyond concerns over produc-
23 tivity and quality to the challenges presented by
24 the need for increased customization, speed,
25 and responsiveness to customer needs;

1 (C) extend beyond issues of competitive-
 2 ness of individual manufacturing firms and in-
 3 dustries and to the challenges of ensuring
 4 robustness in the networks of manufacturing
 5 and service firms and development of new forms
 6 of business models;

7 (D) extend beyond a concern over high-
 8 technology research and development and to the
 9 challenges of nurturing the entire innovation
 10 system, including basic research, technological
 11 development, venture capital, new product de-
 12 velopment, design and aesthetics, new business
 13 models, and the development of new markets;

14 (E) shift attention from concern over rais-
 15 ing awareness of trade to a refocusing on the
 16 problems of managing the increasing complexity
 17 of globalization;

18 (F) extend beyond the challenges of sus-
 19 taining a flexible and educated workforce to the
 20 challenges of exploring new or better ways to
 21 foster the types of skills needed in a knowledge
 22 and information economy;

23 (G) extend beyond concern over cost of
 24 capital to the challenges of achieving the dual
 25 objectives of unlocking the value of underuti-

1 lized knowledge assets and insuring the effi-
 2 ciency and stability of the global financial sys-
 3 tem;

4 (H) extend beyond a concern over competi-
 5 tion from Japan and the Southeast Asian
 6 Newly Industrializing Countries (NICs) to the
 7 challenges of integrating many countries, such
 8 as India, China, and Eastern European nations,
 9 into the global economy; and

10 (I) include the challenges of new demo-
 11 graphic dynamics, including the aging of the so-
 12 called “baby boom” generation, increased life
 13 expectancy, below replacement fertility rates in
 14 most of the developed world, and increasing
 15 populations in the developing world.

16 (9) In this information age, new ideas, business
 17 models, and technologies, including computer and
 18 telecommunications, the Internet, and the digital
 19 revolution, have combined to alter the economy
 20 structurally.

21 (10) Information, knowledge, and other intan-
 22 gible assets now power our innovation process, which
 23 is based both on science-based research and informal
 24 creativity and produces the productivity and im-
 25 provement gains needed to maintain prosperity.

1 (11) The range of knowledge, information, and
2 intellectual capital-based intangible assets driving
3 economic prosperity include worker skills and know-
4 how, informal relationships that feed creativity and
5 new ideas, high-performance work organizations,
6 new business methods, intellectual property such as
7 patents and copyrights, brand names, and innova-
8 tion and creativity skills.

9 (12) Economic statistics and accounting prin-
10 ciples have not caught up with this new economic
11 environment.

12 (13) All sectors of the economy are affected by
13 this new economic environment.

14 (14) Small and medium-size firms are especially
15 in need of ways to better develop and utilize their in-
16 formation, knowledge, and other intangible assets.

17 (15) It is vital to the future strength of the
18 United States economy that, as new ideas, scientific
19 discoveries, and knowledge pervade the domestic and
20 international economies, United States firms be able
21 to assess, absorb, and deploy these opportunities
22 quickly for competitive advantage.

23 (16) While United States firms and workers
24 lead the world in creating and using information,
25 knowledge, and other intangible assets, increasing

1 global competition means that the United States
2 Government and the private sector must continue to
3 develop the information economy in the United
4 States in order to ensure that the people of the
5 United States prosper in this new economic environ-
6 ment.

7 (17) There is a need for an independent, bipar-
8 tisan undertaking comparable to the Young Commis-
9 sion to review the new competitive challenges facing
10 the United States and to recommend a framework to
11 guide the making of responsive public policy, includ-
12 ing the reorganization of the Federal Government to
13 promote efficiency and economy of operation, to pro-
14 mote private initiatives, and to guide individual deci-
15 sionmaking about the future of the United States
16 economy as governments, business, labor unions, and
17 the people of the United States struggle with ways
18 to utilize information, foster the development of in-
19 tangible assets, and promote innovation and com-
20 petitiveness in the new global information economy.

21 **SEC. 3. ESTABLISHMENT AND PURPOSE.**

22 (a) ESTABLISHMENT.—There is established the Com-
23 mission on the Future of the United States Economy
24 (hereafter referred to as the “Commission”).

1 (b) PURPOSES.—The purpose of the Commission are
2 as follows:

3 (1) To analyze the worldwide competitive chal-
4 lenges to United States companies and workers.

5 (2) To make recommendations in accordance
6 with this Act, for the making of responsive public
7 policy, including the reorganization of the Federal
8 Government—

9 (A) to promote efficiency and economy of
10 operation;

11 (B) to foster the skills and knowledge the
12 people of the United States need to prosper in
13 the 21st century;

14 (C) to strengthen the entire innovation sys-
15 tem undergirding the United States economy;
16 and

17 (D) to stimulate the creation of knowledge,
18 inventions, partnerships, and other intangible
19 assets in order to maintain economic growth,
20 income generation, and job creation.

21 **SEC. 4. COMPOSITION AND MEETINGS.**

22 (a) COMPOSITION.—The Commission shall be com-
23 posed of 22 members as follows:

24 (1) 17 voting members of whom—

1 (A) 9 members shall be appointed by the
2 President;

3 (B) 2 members shall be appointed by the
4 majority leader of the Senate;

5 (C) 2 members shall be appointed by the
6 minority leader of the Senate;

7 (D) 2 members shall be appointed by the
8 Speaker of the House of Representatives; and

9 (E) 2 members shall be appointed by the
10 minority leader of the House of Representa-
11 tives.

12 (2) 5 non-voting ex officio members appointed
13 by the President from among the following officials:

14 (A) The Secretary of the Treasury.

15 (B) The Secretary of Commerce.

16 (C) The Secretary of Labor.

17 (D) The Secretary of Defense.

18 (E) The United States Trade Representa-
19 tive.

20 (F) The Chairman of the Council of Eco-
21 nomic Advisors.

22 (G) The Director of the Office of Science
23 and Technology Policy.

24 (b) QUALIFICATIONS FOR VOTING MEMBERS.—

1 (1) REQUIREMENTS.—Persons appointed as
2 voting members under subsection (a)(1) shall be se-
3 lected from among persons who—

4 (A) are leaders or recognized experts in in-
5 dustry, labor unions, research institutions, aca-
6 demia, and other important social and economic
7 institutions;

8 (B) have expertise in economics, inter-
9 national trade, services, manufacturing, labor,
10 science and technology, education, business, or
11 have other qualifications or experience pertinent
12 to the duties of the Commission; and

13 (C) are not officers or employees of the
14 United States Government.

15 (2) ADDITIONAL CONSIDERATION.—To the
16 maximum extent practicable, persons who are ap-
17 pointed as voting members shall be persons who can
18 provide new insights into analysis of the nature and
19 consequences of a knowledge-based economy.

20 (c) CHAIRPERSON AND VICE CHAIRPERSON.—The
21 President shall designate one voting member of the Com-
22 mission as Chairperson. The voting members of the Com-
23 mission shall elect a Vice Chairperson from among the vot-
24 ing members of the Commission appointed by the majority
25 leader of the Senate, the minority leader of the Senate,

1 the Speaker of the House of Representatives, and the mi-
 2 nority leader of the House of Representatives. The Vice
 3 Chairman shall not be affiliated with the same political
 4 party as the Chairman.

5 (d) INITIAL APPOINTMENTS; VACANCIES.—

6 (1) INITIAL APPOINTMENTS.—Members shall be
 7 appointed not later than 60 days after the date of
 8 the enactment of an Act making appropriations au-
 9 thorized under section 9.

10 (2) VACANCIES.—Any vacancy in the Commis-
 11 sion shall not affect its powers, but shall be filled in
 12 the same manner as the original appointment.

13 (e) MEETINGS.—

14 (1) IN GENERAL.—The Commission shall meet
 15 at the call of the Chairperson.

16 (2) INITIAL MEETING.—The Commission shall
 17 hold its first meeting not later than 30 days after
 18 all voting members of the Commission have been ap-
 19 pointed under subsection (a).

20 (f) QUORUM.—A majority of the voting members of
 21 the Commission shall constitute a quorum.

22 (g) VOTING.—Each voting member of the Commis-
 23 sion shall be entitled to 1 equal vote.

24 **SEC. 5. DUTIES OF THE COMMISSION.**

25 (a) STUDY.—

1 (1) IN GENERAL.—The Commission shall con-
2 duct a study of the United States economy and the
3 competitiveness of United States companies and
4 workers.

5 (2) SCOPE.—In conducting the study under this
6 subsection, the Commission shall—

7 (A) review the findings and recommenda-
8 tions of previous commissions, including the
9 Young Commission, and the studies (including
10 resulting findings and recommendations) of oth-
11 ers that are relevant to the work of the Com-
12 mission, including the National Innovation Ini-
13 tiative of the Council on Competitiveness;

14 (B) analyze the current economic environ-
15 ment and competitive challenges facing United
16 States workers and companies;

17 (C) review the strategies of other nations
18 for responding to the competitive challenges of
19 the new economic environment, and analyze the
20 impact of those strategies on the future of the
21 United States economy;

22 (D) formulate specific recommendations on
23 a broad range of issues related to the develop-
24 ment of the skill-base and innovative capacity
25 within the private and public sectors of the

- 1 United States economy and other priorities re-
- 2 lated to the knowledge and information econ-
- 3 omy, including recommendations regarding—
- 4 (i) the reorganization of the Federal
- 5 Government to promote efficiency and
- 6 economy of operation;
- 7 (ii) education and training policy;
- 8 (iii) labor policy;
- 9 (iv) economic development;
- 10 (v) science and technology policy and
- 11 organization;
- 12 (vi) intellectual property rights;
- 13 (vii) telecommunications policy;
- 14 (viii) international economic policy, in-
- 15 cluding trade and finance and the manage-
- 16 ment of globalization;
- 17 (ix) macroeconomic policy;
- 18 (x) financial regulation and account-
- 19 ing policy;
- 20 (xi) antitrust policy;
- 21 (xii) public and private infrastructure
- 22 development and entrepreneurship; and
- 23 (xiii) small business development;
- 24 (E) formulate recommended policies and
- 25 actions for—

1 (i) transforming the education and
2 training process in the United States as
3 necessary to ensure effectiveness for facili-
4 tating life-long learning;

5 (ii) upgrading the skills of the United
6 States workforce to compete effectively in
7 the new economic environment, including
8 mathematics and science skills, critical
9 thinking skills, communication skills, lan-
10 guage and intercultural awareness, cre-
11 ativity, and interpersonal relations essen-
12 tial for success in the information age;

13 (iii) promoting a broad system of in-
14 novation and knowledge diffusion, includ-
15 ing nontechnological ingenuity and cre-
16 ativity as well as science-based research
17 and development;

18 (iv) fostering the development of
19 knowledge and information assets in all
20 sectors of the United States economy, par-
21 ticularly those sectors of the economy in
22 which rates of productivity and innovation
23 have lagged, and in United States compa-
24 nies of all sizes, particularly small and me-
25 dium-size companies;

1 (v) developing jobs that are rooted in
2 local skills and local knowledge assets in
3 order to lessen displacement resulting from
4 ongoing global competition;

5 (vi) improving access to, and lowering
6 the cost of, capital by unlocking the value
7 to financial markets of underutilized
8 knowledge assets;

9 (vii) strengthening the efficiency and
10 stability of the international financial sys-
11 tem (taking into account the roles of for-
12 eign capital and domestic savings in eco-
13 nomic growth);

14 (viii) developing policies and mecha-
15 nisms for managing the increasing com-
16 plexity of globalization;

17 (ix) adjusting to the impacts of global
18 demographic changes in the United States,
19 other developed countries, and developing
20 countries;

21 (x) improving economic statistics and
22 accounting principles to adequately meas-
23 ure all sectors of the new economic envi-
24 ronment, including the value of informa-

tion, innovation, knowledge, and other intangible assets; and

(xi) improving understanding of how the Federal Government supports and invests in knowledge and other intangible assets;

(b) REPORTS.—

(1) REQUIRED REPORT.—

(A) IN GENERAL.—The Commission shall submit to Congress and the President a report regarding the competitive challenges facing the United States. The report shall include conclusions and specific recommendations for legislative and executive actions.

(B) TIME FOR REPORT.—The report under this paragraph shall be submitted not later than the later of—

(i) March 1, 2006; or

(ii) the date that is 18 months after the date of the initial meeting of the Commission.

(2) OPTIONAL REPORTS.—The Commission may submit to Congress and the President interim or special reports as the Commission determines appropriate.

1 **SEC. 6. POWERS OF COMMISSION.**

2 (a) **HEARINGS.**—The Commission or, at its direction,
3 any panel or regular member of the Commission, may hold
4 hearings, sit and act at times and places, take testimony,
5 and receive evidence as the Commission considers advis-
6 able to carry out this Act.

7 (b) **INFORMATION FROM FEDERAL AGENCIES.**—The
8 Commission may secure directly from any Federal depart-
9 ment or agency such information as the Commission con-
10 sider necessary to carry out this Act. Upon request of
11 the Chairperson of the Commission, the head of such de-
12 partment or agency shall furnish such information to the
13 Commission.

14 (c) **GIFTS.**—The Commission may accept, use, and
15 dispose of gifts or donations of services or property.

16 (d) **ANALYSIS, REPORTS, AND STUDIES.**—The Com-
17 mission may procure analyses, reports, and studies from
18 organizations or individuals other than Commission staff,
19 notwithstanding the restrictions under section 7(e) of this
20 Act.

21 (e) **POSTAL SERVICES.**—The Commission may use
22 the United States mails in the same manner and under
23 the same conditions as other departments and agencies of
24 the Federal Government.

25 (f) **SUPPORT SERVICES.**—Upon request of the Chair-
26 person of the Commission, the Administrator of General

1 Services shall provide to the Commission on a reimburs-
2 able basis the administrative support necessary for the
3 Commission to carry out its duties under this Act.

4 **SEC. 7. COMMISSION PERSONNEL MATTERS.**

5 (a) COMPENSATION OF MEMBERS.—Each member of
6 the Commission who is not an officer or employee of the
7 Federal Government shall be compensated at a rate equal
8 to the daily equivalent of the annual rate of basic pay pre-
9 scribed for level IV of the Executive Schedule under sec-
10 tion 5315 of title 5, United States Code, for each day (in-
11 cluding travel time) during which such member is engaged
12 in the performance of the duties of the Commission. All
13 members of the Commission who are officers or employees
14 of the United States shall serve without compensation in
15 addition to that received for their services as officers or
16 employees of the United States.

17 (b) TRAVEL EXPENSES.—The members of the Com-
18 mission shall be allowed travel expenses, including per
19 diem in lieu of subsistence, at rates authorized for employ-
20 ees of agencies under subchapter I of chapter 57 of title
21 5, United States Code, while away from their homes or
22 regular places of business in the performance of services
23 for the Commission.

24 (c) STAFF.—

1 (1) IN GENERAL.—The Chairperson of the
2 Commission may, without regard to the civil service
3 laws and regulations, appoint and terminate an execu-
4 tive director and such other additional personnel as
5 may be necessary to enable the Commission to per-
6 form its duties. The employment of an executive di-
7 rector shall be subject to confirmation by the Com-
8 mission.

9 (2) COMPENSATION.—The Chairperson of the
10 Commission may fix the compensation of the execu-
11 tive director and other personnel without regard to
12 the provisions of chapter 51 and subchapter III of
13 chapter 53 of title 5, United States Code, relating
14 to classification of positions and General Schedule
15 pay rates, except that the rate of pay for the execu-
16 tive director and other personnel may not exceed the
17 rate payable for level V of the Executive Schedule
18 under section 5316 of such title.

19 (d) DETAIL OF GOVERNMENT EMPLOYEES.—Any
20 Federal Government employee may be detailed to the
21 Commission without reimbursement, and such detail shall
22 be without interruption or loss of civil service status or
23 privilege.

24 (e) PROCUREMENT OF TEMPORARY AND INTERMIT-
25 TENT SERVICES.—The Chairperson of the Commission

1 may procure temporary and intermittent services to sup-
 2 port and supplement Commission staff under section
 3 3109(b) of title 5, United States Code, at rates for individ-
 4 uals which do not exceed the daily equivalent of the annual
 5 rate of basic pay prescribed for level V of the Executive
 6 Schedule under section 5316 of such title.

7 (f) APPLICABILITY OF CERTAIN PAY AUTHORI-
 8 TIES.—An individual who is a member of the Commission
 9 and is an annuitant or otherwise covered by section 8344
 10 or 8468 of title 5, United States Code, by reason of mem-
 11 bership on the Commission shall not be subject to the pro-
 12 visions of section 8344 or 8468, as the case may be, with
 13 respect to such membership.

14 **SEC. 8. TERMINATION OF THE COMMISSION.**

15 The Commission shall terminate 90 days after the
 16 date on which the Commission submits the report required
 17 under section 5(b)(1).

18 **SEC. 9. AUTHORIZATION OF APPROPRIATIONS.**

19 There is authorized to be appropriated to the Com-
 20 mission \$10,000,000 to carry out activities under this Act,
 21 to remain available until expended.

